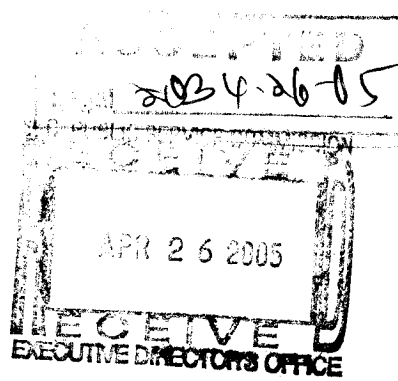




Lara Simmons Nichols
Assistant General Counsel

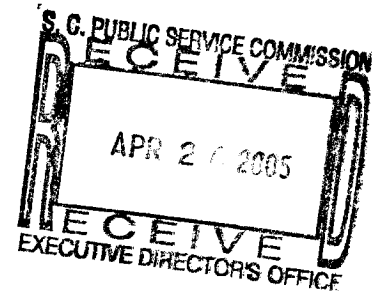


173751
Duke Energy Corporation
422 South Church Street
P.O. Box 1244
Charlotte, NC 28201-1244

Mailing Address
422 S. Church Street
Charlotte, NC 28202-1904
704.382.9960 OFFICE
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lsnichols@duke-energy.com

April 25, 2005

2005-124-E



The Honorable Charles L. A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: Lighting Service Rate Schedules OL, PL and FL

Dear Mr. Terreni:

Duke Power, a division of Duke Energy Corporation, submits for filing the following request for Public Service Commission of South Carolina ("Commission") approval to make certain changes to its lighting service rate schedules, Schedule OL (SC), Outdoor Lighting Service, Schedule PL (SC), Street and Public Lighting Service, and Schedule FL (SC), Floodlighting Service. Specifically, Duke Power is requesting approval to close the 7,500 lumens and 9,500 lumens Suburban luminaires on Rate Schedule OL and the 7,500 lumens, 9,500 lumens, and 4,000 lumens luminaires on Rate Schedule PL to new installations. Duke Power also requests approval for the addition of an Urban 7,500 lumens luminaire on Rate Schedule OL. Duke Power requests approval of these changes effective July 1, 2005.

The closing of these Suburban luminaires on Rate Schedules OL and PL will reduce light pollution, light trespass, and disability glare issues from these luminaires. As a luminaire with no optical control, the Suburban is one of the largest contributors to both light pollution and trespass. There are many communities within the Duke service area that have implemented ordinances to limit or restrict the installations of the Suburban-style luminaires. Existing customers with these luminaires will not be affected since Duke will continue to maintain the existing luminaires.

The addition of an Urban 7,500 lumens luminaire on Schedule OL will provide a new more environmentally friendly lighting option for Schedule OL customers. This luminaire is already available to Schedule PL customers.

In addition to these changes, Duke Power requests approval to incorporate early termination provisions on Rate Schedules OL, FL, and PL. Duke's current early termination practice provides for the collection of the lesser of: the total amount of revenue remaining for

the remaining term of the original Contract Period or the calculated Loss Due to Early Retirement of the installed light. The proposed early termination provision provides for the collection of 40% of the total revenue remaining for the remaining term of the original Contract Period. This revision will allow Duke to recover its fixed cost of investment in lighting, while excluding the variable costs of energy and O&M that are included in the fixed monthly lighting rate. The proposed early termination provisions are consistent with early termination provisions approved by the Commission for Progress Energy Carolinas, Inc.'s Schedule ALS-96, Area Lighting Service.

Duke Power respectfully requests approval of this request by May 26, 2005, in order to complete internal processes necessary for an effective date of July 1, 2005, such as billing system updates, employee training, and other coordination efforts.

Finally, five copies of this filing are being provided to Dan F. Arnett of the South Carolina Office of Regulatory Staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Lara Simmons Nichols", with a large, stylized loop at the end.

Lara Simmons Nichols
Richard Whitt (Austin, Lewis & Rogers)

pa

Enclosures

cc: Dan F. Arnett. Chief of Staff
South Carolina Office of Regulatory Staff

SCHEDULE OL (SC)
OUTDOOR LIGHTING SERVICEAVAILABILITY (South Carolina Only)

Available to the individual customer for lighting of private outdoor areas at locations on the Company's distribution system. Service under this Schedule may be withheld or discontinued at the option of the Company.

RATE:(A) Bracket-Mounted Luminaires

All-night outdoor lighting service using Company standard equipment mounted on standard poles:

<u>Lamp Rating</u>			<u>Per Month Per Luminaire and</u>		
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)(2)</u>	<u>New Pole (1)</u>	<u>New Pole Served Underground(1)</u>
		Mercury Vapor			
4,000	41	Post Top (3)	\$ 6.25 (4)	NA	\$13.00
4,000	41	Suburban	4.85 (5)	NA	NA
4,000	41	Post Top (7)	8.10	NA	NA
4,000	41	Post Top (7)	10.55	NA	NA
7,500	75	Post Top (7)	9.95	NA	NA
7,500	75	Suburban (8)	6.25	11.95	16.00
7,500	75	Urban	7.25	12.95	17.00
20,000	152	Urban	9.40	15.10	19.15
		High Pressure Sodium Vapor			
4,000	21	Post Top (3)	NA	NA	13.00
9,500	47	Suburban (8)	7.35	13.05	17.10
9,500	47	Urban	8.50	14.20	18.25
13,000	56	Suburban (in suitable mercury fixture)	8.00 (6)	NA	NA
16,000	70	Urban	8.80	14.50	18.55
27,500	104	Urban	10.25	15.95	20.00
50,000	156	Urban	12.05	17.75	21.80
		Metal Halide			
40,000	155	Urban	14.95	20.65	24.70
110,000	395	Area	48.55	56.05	60.10

- (1) The monthly rate per luminaire will be as shown above minus 0.5054 cent per kWh for the indicated kWh per month.
- (2) For luminaires in service before November 18, 1991, the monthly rate is applicable to existing installations, including pole, but does not include additional separate charges.
- (3) Luminaire is not available for the lighting of streets, roadways, and other vehicle thoroughfares.
- (4) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before November 18, 1991.
- (5) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before January 1, 1973.
- (6) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before October 8, 1985.
- (7) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before January 17, 1975.
- (8) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before July 1, 2005.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.7% of the estimated difference in cost installed between the luminaire and structure requested and the equivalent luminaire and wood pole in (A) above.

Schedule OL (SC) (continued)

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:

<u>Feet Per Pole</u>	<u>From Overhead System</u>	<u>From Underground System</u>
Over 150 feet	\$.07 for each increment of 10 feet, or less, over 150 feet	\$.07 for each increment of 10 feet, or less, over 150 feet

- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.7% of the estimated cost of this cutting and replacing of pavement will be added to the charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.7% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) for an additional monthly charge of \$4.05 per pole. For installations over 150 feet per pole, the charges under (C) (1) will apply in addition to the \$4.05 charge.

ADJUSTMENT FOR FUEL COSTS

The Company's Adjustment for Fuel Costs is incorporated as a part of, and will apply to all service supplied under this Schedule.

EXPLANATORY NOTES

- (1) Lamps will burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The Company will readily replace burned-out lamps and otherwise maintain the luminaires during regular daytime working hours following notification by the Customer.
- (2) Luminaires will be installed only on Company-owned poles, and all facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (3) Equipment (such as disconnecting switches) not supplied by the Company as standard is not available under this Schedule, and shall not be installed by the Customer.
- (4) This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.
- (5) Clear mercury vapor lamps are standard equipment in all mercury vapor luminaires. Color-improved lamps can be supplied for an extra charge of \$1.05 per lamp per month.
- (6) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source.
- (7) All luminaires except the 110,000 lumen metal halide fixture will be installed on standard 30-foot, class 6 size wood poles. The 110,000 lumen metal halide fixture will be installed on standard 40-foot, class 5 wood poles. On Customer request, and for an additional charge, all luminaires, except the 110,000 lumen metal halide fixture can be installed on wood poles larger than the standard 30-foot, class 6 size, if the location permits the use of bucket-type equipment for mounting and servicing: 35-foot, class 5 pole for 25 cents per month, or 40-foot, class 5 pole for 35 cents per month. Other size poles, or structures other than standard wood poles, can be installed for an extra monthly charge equal to 1.7% of the estimated installed cost difference between the requested pole or structure, and the standard wood pole, but not less than \$5.35 per month per pole or structure. Brackets longer than the standard length of 30 inches, but not longer than 20 feet, can be installed where use of bucket-type equipment is permitted for an extra charge of 70 cents per month per bracket.
- (8) Where two or more luminaires were installed for service before November 18, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.75.
- (9) Luminaire locations shall be designated by the Customer and where only an extension of secondary facilities is required from the nearest distribution source, the rate per luminaire in (A) above shall apply. When the number of required poles exceeds the number of luminaires requested, a monthly charge not less than \$1.75 per standard wood pole shall be made for luminaires installed for service before November 18, 1991. A monthly charge of \$5.70 per standard wood pole shall be made for luminaires installed for service after November 18, 1991. When any installation requires an extension of primary facilities solely to serve the luminaires, an additional monthly charge equal to 1.7% of the estimated cost of the primary extension shall be made. Should any installation require guying of secondary facilities, a charge of 60 cents per month per guy shall be made.
- (10) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.

SALES TAX AND MUNICIPAL FEES

Any applicable sales tax, municipal service agreement fee, business license fee or other fee assessed by or remitted to a state or local governmental authority will be added to the charges determined above.

PAYMENT

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one and one-half percent (1 1/2%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of, and be due and payable with, the bill on which it is rendered.

CONTRACT PERIOD

The original term of contract may be from a minimum of one year to a maximum of 20 years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) One year for all luminaires installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.
- (b) Three years for all luminaires not installed at a residence and designated by the Company as standard, post top and bracket-mounted on standard poles.
- (c) Ten years for all luminaires designated by the Company as decorative, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.
- (d) Twenty years for all luminaires or supports designated by the Company as non-standard

SCHEDULE PL (SC)
STREET AND PUBLIC LIGHTING SERVICEAVAILABILITY (South Carolina Only)

Available for the purpose of lighting streets, highways, parks and other public places for Municipal, County State, and Federal Governments, at locations inside or outside municipal limits on the Company's distribution system. This Schedule is not available for service to non-governmental entities.

RATE:(A) Bracket-Mounted Luminaires

All-night street lighting service using overhead conductors and Company standard equipment mounted on standard wood poles:

Lamp Rating			Per Month Per Luminaire	
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Inside Municipal Limits (1)</u>	<u>Outside Municipal Limits (1)</u>
Mercury Vapor				
4,000	41	Suburban (7)	\$ 4.20	NA
4,000	41	Post Top (5)	7.45	\$ 7.85
4,000	41	Bracket (6)	NA	4.60
7,500	75	Post Top (5)	9.30	9.70
7,500	75	Suburban (7)	5.60	6.00
7,500	75	Urban	6.60	7.00
20,000	152	Urban	8.75	9.15
55,000	393	Urban	16.95	17.35
High Pressure Sodium Vapor				
9,500	47	Suburban (7)	\$ 6.65	\$ 7.05
9,500	47	Urban	7.80	8.20
13,000	56	Suburban (2) (in suitable mercury fixture)	7.35	7.75
16,000	70	Urban	8.15	8.55
27,500	104	Urban	9.55	9.95
38,000	136	Urban (3) (in suitable mercury fixture)	10.25	10.65
50,000	156	Urban	11.40	11.80
140,000	391	Urban (4)	23.20	23.60
Metal Halide				
40,000	155	Urban	\$ 14.30	\$ 14.70

- (1) The monthly rate per luminaire will be as shown above minus 0.5054 cent per kWh for the indicated kWh per month.
- (2) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before February 18, 1987.
- (3) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before November 18, 1991.
- (4) Installed on 55-foot wood pole.
- (5) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before January 17, 1975.
- (6) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before June 30, 1972.
- (7) Luminaire is not available for new installation locations. Rate applies to existing installations which were in service before July 1, 2005.

(B) Other Luminaires

Decorative and non-standard luminaires can be installed on request, at the Company's option, at the rate in (A) above plus an extra monthly charge equal to 1.7% of the estimated installed cost difference between the luminaire and structure requested, and, the equivalent luminaire and standard pole.

(C) Underground Charges

- (1) Additional monthly charge for the underground conductor system:

Feet Per Pole	From Overhead System	From Underground System
0 – 100 feet	\$.50	\$.35
101 – 200 feet	\$.90	\$.75
Over 200 feet	\$.90 plus \$.07 for each increment of 10 feet, or less, over 200 feet	\$.75 plus \$.07 for each increment of 10 feet, or less, over 200 feet

- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.7% of the estimated cost of this cutting and replacing of pavement will be added to the monthly charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.7% of the estimated cost of the underground conductor system.

ADJUSTMENT FOR FUEL COSTS

The Company's Adjustment for Fuel Costs is incorporated as a part of, and will apply to all service supplied under, this Schedule.

EXPLANATORY NOTES

- (1) The installation of bracket-mounted luminaires in (A) above includes the Company's 40-foot, standard wood poles.
 - (a) Wood poles longer than 40 feet, or structures other than standard wood poles, may be installed for an extra monthly charge equal to 1.7% of the estimated installed cost difference between the luminaires and structures requested, and equivalent luminaires and standard poles, and such extra charge shall not be less than \$5.35 per month, per pole or other structure.
 - (b) The Company's standard metal street lighting pole may be installed for an extra monthly charge of \$5.35 per month, per pole.
 - (c) The Company's standard metal mast-arm pole may be installed for an extra monthly charge of \$5.35 plus 1.7% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole, per month, per pole. The standard metal mast-arm pole may be installed without a luminaire for a monthly charge of \$7.10 plus 1.7% of the estimated installed cost difference between the requested pole and the Company's standard metal street lighting pole.
 - (d) Standard wood poles and guys may be provided at the same charges as in (3) below when provided solely to support traffic signals.
- (2) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source. There will be no extra charge for underground conductors to luminaires installed in areas where the Company at its own option has determined that underground distribution facilities should be installed.
- (3) For areas outside municipal limits: Location of the luminaire or luminaires in areas outside of municipal limits shall be designated by the Customer but the location must be within the distance which can be reached by a secondary extension from the Company's nearest distribution facilities. Should the number of poles in the secondary extension required to serve the luminaire(s) exceed the number of poles on which bracket-mounted luminaires are installed, a monthly charge of \$1.75 per pole shall be made for such excess number of poles. Should the installation include downguys or spanguys, a charge of \$.60 per month per guy shall be made. When the installation requested requires a primary extension solely to serve the luminaires, an additional monthly charge of 1.7% of the estimated cost of the primary extension will be made.
- (4) All facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (5) Clear mercury vapor lamps are standard equipment in all mercury vapor luminaires. Color-improved lamps can be supplied for an extra charge of 70 cents per lamp per month.
- (6) When two or more luminaires are installed on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.75.
- (7) "Suburban" luminaires are defined as standard NEMA-style fixtures with refractors and vertical-burning lamps. "Urban" luminaires are defined as "cobra-style" fixtures with enclosed refractive or flat lenses and horizontal-burning lamps.

SALES TAX AND MUNICIPAL FEES

Any applicable sales tax, municipal service agreement fee, business license fee or other fee assessed by or remitted to a state or local governmental authority will be added to the charges determined above.

PAYMENT

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one and one-half percent (1 1/2%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of, and be due and payable with, the bill on which it is rendered.

CONTRACT PERIOD

The original term of contract may be from a minimum of three years to a maximum of 20 years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated as standard by the Company and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated as decorative by the Company, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.
- (c) Twenty years for all luminaires or supports designated as non-standard by the Company.

South Carolina Twenty-Fifth Revised Leaf No. 34

Effective for bills on and after July 1, 2005

PSCSC Docket No. _____

Interim Rate Reduction Rider

Expired for bills on and after October 1, 2004

PSCSC Docket No. 2003-271-E

SCHEDULE FL (SC)
FLOODLIGHTING SERVICEAVAILABILITY (South Carolina Only)

Available to the individual customer at locations on the Company's distribution system which, in the Company's opinion, permit the use of bucket-type equipment for installation and servicing of facilities. Service under this Schedule may be withheld or discontinued at the option of the Company.

RATE:(A) Bracket-Mounted Luminaires

All-night outdoor lighting service using Company standard equipment mounted on standard poles:

<u>Lamp Rating</u>		<u>Per Month Per Luminaire and</u>		
<u>Lumens</u>	<u>kWh Per Month</u>	<u>Style</u>	<u>Existing Pole (1)(2)</u>	<u>New Pole (1) New Pole Served Underground(1)</u>
		High Pressure Sodium Vapor		
16,000	70	Floodlight	\$ 9.95	\$15.65 \$19.70
27,500	104	Floodlight	11.60	19.10 23.15
50,000	156	Floodlight	12.65	20.15 24.20
		Metal Halide		
40,000	155	Floodlight	15.45	22.95 27.00

- (1) The monthly rate per luminaire will be as shown above minus 0.5054 cent per kWh for the indicated kWh per month.
- (2) For luminaires in service before November 18, 1991, the monthly rate is applicable to existing installations, including pole, but does not include any additional separate charges.

(B) Underground Charges

- (1) Additional monthly charge for the underground conductor system:

<u>Feet Per Pole</u>	<u>From Overhead System</u>	<u>From Underground System</u>
Over 150 feet	\$.07 for each increment of 10 feet, or less, over 150 feet	\$.07 for each increment of 10 feet, or less, over 150 feet

- (2) When the installation requires the cutting and replacing of pavement of more than one drive or one walkway per luminaire, 1.7% of the estimated cost of this cutting and replacing of pavement will be added to the monthly charges above.
- (3) When an installation is in an area served by a concrete-encased duct system, additional charges stated above will not apply and, instead, the additional monthly charge will be 1.7% of the estimated cost of the underground conductor system.
- (4) An underground conductor system, up to 150 feet per pole, can be installed to an existing pole under the "Existing Pole" rate in (A) above, for an additional monthly charge of \$4.05 per pole. For installations over 150 feet per pole, the charges under (B) (1) above will apply in addition to the \$4.05 charge.

ADJUSTMENT FOR FUEL COSTS

The Company's Adjustment for Fuel Costs is incorporated as a part of, and will apply to all service supplied under this Schedule.

EXPLANATORY NOTES

- (1) Lamps will burn from approximately one half-hour after sunset until approximately one half-hour before sunrise. The Company will readily replace burned-out lamps and otherwise maintain the luminaires during regular daytime working hours following notification by the Customer.
- (2) Luminaires will be installed only on Company-owned poles, and all facilities necessary for service under this Schedule, including fixtures, lamps, controls, poles, hardware, transformers, conductors, and other appurtenances shall be owned and maintained by the Company.
- (3) Equipment (such as disconnecting switches) not supplied by the Company as standard is not available under this Schedule, and shall not be installed by the Customer.
- (4) This Schedule is not available for seasonal or other part-time operation of outdoor luminaires.
- (5) Service using overhead conductors is not available in any area designated by the Company as underground distribution area, nor in any area, location, or premises being served from an underground source.
- (6) Where two or more luminaires were installed for service before November 18, 1991 on the same pole or other structure, the applicable monthly charges for each luminaire other than the first will be reduced \$1.75.
- (7) Wood poles longer than 40 feet or structures other than standard wood poles may be installed for an extra monthly charge equal to 1.7% of the estimated installed cost difference between the requested pole or structure and a standard wood pole, but not less than \$5.35 per month per pole or structure.

Schedule FL (SC) (continued)

- (8) Luminaire locations shall be designated by the Customer, and where only an extension of secondary facilities is required from the nearest distribution source, the rate per luminaire in (A) above shall apply. When the number of required poles exceeds the number of luminaires requested, a monthly charge not less than \$1.75 per standard wood pole shall be made for luminaires installed for service before November 18, 1991. A monthly charge not less than \$5.70 per standard pole shall be made for luminaires installed for service after November 18, 1991. When any installation requires an extension of primary facilities solely to serve the luminaires, an additional monthly charge equal to 1.7% of the estimated cost of the primary extension shall be made. Should any installation require guying of secondary facilities, a charge of 60 cents per month per guy shall be made.

SALES TAX AND MUNICIPAL FEES

Any applicable sales tax, municipal service agreement fee, business license fee or other fee assessed by or remitted to a state or local governmental authority will be added to the charges determined above.

PAYMENT

Bills under this Schedule are due and payable on the date of the bill at the office of the Company. Bills are past due and delinquent on the fifteenth day after the date of the bill. If any bill is not so paid, the Company has the right to suspend service. In addition, all bills not paid by the twenty-fifth day after the date of the bill shall be subject to a one and one-half percent (1 1/2%) late payment charge on the unpaid amount. This late payment charge shall be rendered on the following month's bill and it shall become part of, and be due and payable with, the bill on which it is rendered.

CONTRACT PERIOD

The original term of contract may be from a minimum of three years to a maximum of 20 years. Contracts will continue after the original term until terminated by either party on thirty days' written notice. The Customer may amend or terminate the Agreement before the expiration of the initial Contract Period by paying to the Company a sum of money equal to 40% of the monthly bills which otherwise would have been rendered for the remaining term of the initial Contract Period, less the monthly bills for the initial term of contract of any successor customer who has applied for lighting service at the premises prior to the effective date of the contract amendment or termination, provided, however, this amount shall not be less than zero. The Company may require a deposit not to exceed 40% of the revenue for the original term. The deposit will be returned at the end of the original term, provided the Customer has met all provisions of the contract. Minimum term of contract for specific situations shall be:

- (a) Three years for all luminaires designated by the Company as standard and bracket-mounted on standard poles.
- (b) Ten years for all luminaires designated by the Company as decorative, and for all standard luminaires mounted on supports other than standard wood poles, and for primary extensions solely serving the luminaires.
- (c) Twenty years for all luminaires or supports designated by the Company as non-standard.